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LONDON MEETING ON AUSTRIAN TREATY TALKS CALLED FOR MAY 27. "Neues Oesterreich" reported in mid-May that British Minister of State Selwyn Lloyd announced in Parliament that the next meeting of the special Deputies for the Austrian State Treaty had been scheduled for May 27 in London. In his statement, Mr. Lloyd said that the invitation sent to the Soviet Government contained no conditions. The invitations were sent out by the British delegate because for the next session the revolving chairmanship of the meetings devolves upon him. The decision of the Western Powers to continue the negotiations on the Austrian Treaty is the outcome of long diplomatic consultations between London, Paris and Washington. London political circles believe that Russia's new Ambassador, Jakob Malik, will represent the Soviet Union at the May 27 meeting.

Austrian Treaty Considered First Step Toward Peace in Europe

In an official statement, the U.S. Department of State announced that the American delegate would be instructed to do everything in his power "to bring about the conclusion of a just Austrian State Treaty."

Another report says that the United States remains ready to discuss any proposal which could lead to an early settlement of the Austrian question. However, the U.S. Government insists that this problem be solved on its own merits and not in connection with any extraneous questions, such as that of Trieste for example.

Furthermore, it is pointed out in Washington that President Eisenhower and Secretary of State Dulles have repeatedly said that the signing of the treaty would afford the new Soviet Government a good opportunity to prove its announced peace intentions by deeds and not merely words. Fulfillment of the Moscow Declaration could very well represent the first step toward peace in Europe.

FOREIGN MINISTER GRUBER SAYS AUSTRIAN FREEDOM IS MATTER OF WORLD CONCERN. In mid-May the "Wiener Kurier" carried an article by Dr. Karl Gruber entitled, "Austria's Freedom - A Prerequisite for Peace," in which the Austrian Foreign Minister stated that it was the constant objective of his Government's foreign policy "to bring about the admission of Austria into the United Nations."

Dr. Gruber went on to say that Austria could hope to occupy a leading position on the negotiation agenda of the great powers only if her freedom is recognized by world opinion as an important prerequisite for the peace and prosperity

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NEW SCHILLING EXCHANGE RATE ADJUSTED TO ACTUAL DOLLAR VALUE AT 26 TO 1, THEREBY CONSIDERABLY REDUCING PRICE OF AUSTRIAN GOODS. On May 4, 1953, the Austrian Government terminated the artificially established relationship of the Austrian schilling to the American dollar and pegged the nation's unit currency at 26 schillings to the dollar, in line with the actual value of the schilling on the international market. The exchange rate of the schilling in relation to the dollar, as heretofore applied to both the purchase and sale of merchandise, had been 21.36 to 1.

The purpose in readjusting the rate of exchange so that it would reflect the actual value of the schilling was to effect a considerable reduction in the price of Austrian export goods on the international market, thereby giving a marked impetus to the country's export program and making it possible for Austrian products again to compete successfully abroad. Every \$1.22 of Austrian merchandise purchased abroad will now cost only \$1.00.

Convertibility of Schilling Assured

Another advantage of the currency realignment is that it brings the schilling closer to full convertibility on the international exchange market. Immediately after the announcement of the Austrian Government's decision to readjust the schilling rate, the International Currency Fund issued a statement to the effect that it fully recognized as par of exchange the new schilling rate as expressed in terms of 1 schilling equivalent to 0.0341796 g. fine gold, or 1 kg. fine gold equivalent to 29,257.1757 schillings. Thus, after thorough consideration of all economic factors involved, the International Currency Fund has recognized the Austrian schilling as a firm and stable currency.

The higher cost of Austrian imports resulting from the new rate of exchange — for every dollar of imports, \$1.22 will now have to be paid — is to be offset, as far as food-stuffs are concerned, by Government subsidies duly earmarked as such in the Austrian budget. Other price increases, especially those resulting from the higher cost of imported raw materials, are expected to be offset by Austrian trade and industry itself by means of closest cost calculation and other cost-cutting measures.

Government Chose Most Opportune Time

In financial circles it is felt that the Austrian Government chose the economically most opportune moment to carry out its realignment of the schilling. World market prices, which rose rapidly immediately after the outbreak of the

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AUSTRIAN PRESS DEMANDS A TREATY THAT WILL LET AUSTRIA LIVE. At the end of May, "Neues Oesterreich" commented as follows on the forthcoming Special Deputies' meeting in London to discuss the Austrian State Treaty: "According to London comments Minister of State Lloyd's statement in Parliament is interpreted to mean that the Western Powers are prepared to drop the short treaty draft, which has been vigorously opposed by Russia, and that they will no longer insist on it as a basis for discussion. But even this formalistic shift cannot erase the fact that the reasons which prompted the West to propose the short treaty form still prevail. Indeed, the old State Treaty draft contains provisions that today are regarded as superseded, highly unjust and, moreover, largely impracticable. This is especially true in connection with the provisions concerning the so-called 'German assets,' which would either have to be abandoned to the Russians or redeemed from them at a high price in dollars. Many of the provisions (in the old draft - Ed.) are so unclear and ambiguous that they are bound to give rise to an uninterrupted succession of difficulties and conflicts, and it is hardly necessary to spell out how our small country would fare in any dispute with a world power like Russia which holds sway over two continents."

Demands Austrian Obligations Be Kept Within Bearable Bounds

"But quite apart from this," the editorial continued, "the old treaty has also become obsolete because five years have elapsed since it was drawn up, a period during which the Russians have tapped a maximum of goods and services from our economy. Therefore, we could certainly not owe them today what we owed them five years ago."

"If we wish to take a realistic view of the matter, we can hardly expect the Russians simply to relinquish, let us say, the largest oil resources in Central Europe without any compensation. On the contrary, they will 'stay on their bond' which, after all, Truman and Churchill gave them at Potsdam. Actually, what we can and must accomplish is not that the burdens imposed upon us be cancelled, but rather that they be kept within bearable bounds. For example, that oil deliveries be limited in scope and time, and especially that the \$150,000,000 lump-sum settlement be reduced, for the simple reason that we cannot pay this sum inasmuch as we do not have it. We have no predilection for either the long or the short treaty, and it is a matter of indifference to us whether, in fact, the treaty is long or short. The only thing we demand is that it be so written as to let us live!"

MINISTER OF FINANCE KAMITZ SAYS THAT AUSTRIA'S CREDIT STANDING IS NOW RESTORED. Commenting on Austria's economic position following the establishment of the new rate of exchange for the schilling, Austrian Minister of Finance Kamitz declared that the currency stabilization policy so consistently followed for the past year had proved fully successful. After the erratic upward trend of the post-war period, prices had again become stabilized and the cost of living had to some extent even decreased. He said that in the future, too, the dominant objective of Austria's economic and fiscal policy must be a balanced budget.

Dr. Kamitz then underscored Parliament's decision to limit expenditures to revenue in the national budget, thus eliminating all inflationary tendencies. The only danger that had still threatened the final stabilization of the Austrian economy was the artificial maintenance of currency parities. These had long since been out of line with the actual relationships on the exchange markets, represented a burden on Austria's foreign trade, prevented a favorable position in Austria's balance of payments and, finally, jeopardized the objectives of the Government's stabilization policy. The number of Austrian manufacturers whose production costs were higher than the prices they could obtain for their products abroad, and who were thus unable to compete because of the artificially established rate of exchange, had been increasing constantly. Had the Austrian Government persisted in maintaining these unreal exchange parities, the export industry's balance of payments would have led to an increasing deficit which would then have resulted in a more rigid control of incoming foreign exchange and heavy subsidizing of export industries. This development would undeniably have been accompanied by a shrinking volume of exports.

Since the deflationary price trend was continuing in full swing -- the cost of living in Austria decreased by 2.3% in March alone -- and since world market prices had not yet reached their low point, Dr. Kamitz said that the conditions were most favorable for the Government's move to adjust the schilling rate. Austria's currency was so strong that it no longer needed any crutches. The new rate of exchange established the economic requisites for the Austrian Government's investment program and its employment policies. The expected economic expansion would necessarily raise the people's demand for consumer goods and to satisfy this greater demand imports would have to be increased. Minister Kamitz warned that the foreign exchange needed to pay for these imports would not come as a gift to the Austrian people, but would have to be earned.

In closing, the Austrian Minister of Finance pointed out that the rate-of-exchange standardization would not only be the keystone of stabilization, but also the point of departure for a new economic upswing. Moreover, Austria's credit standing would be improved, for the interest rate of foreign loans and their amortization is largely dependent upon the export capacity of the debtor country. The new monetary measure also represented a notable contribution on the part of Austria to European economic cooperation, which could be successful only if built on real currency relations.

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FOREIGN MINISTER GRUBER AND UNDERSECRETARY KREISKY IN BONN MAY 19 AND 20. At a cabinet meeting early in May Foreign Minister Karl Gruber announced that his long-planned state visit to the German Federal Republic would take place on May 19 and 20. On his visit to Bonn Dr. Gruber will be accompanied by Dr. Bruno Kreisky, Undersecretary of State in the Austrian Foreign Office.

MINISTER OF THE INTERIOR HELMER CALLS FOR EFFECTIVE POLICE POWER. In an interview which he granted to the "Wiener Kurier," Austrian Minister of the Interior Oskar Helmer declared that in view of the disunity between the Allied Occupying Powers the Austrian police was still lacking in sufficiently "effective and standardized arms."

He said that weapons of varying type and caliber were now being used, and that both these and the ammunition available were obsolete. The rubber truncheon, one of the gendarmerie's least dangerous weapons, had been confiscated by the occupation authorities in the Soviet zone. Nor had it been possible as yet to introduce two-way radio communications because of the unwillingness of the occupying power to sanction such a move. "By introducing radio communications, the police would become considerably more efficient in protecting the population, and important savings could be achieved in its operating costs."

Interference with Administrative Authority and Right of Asylum

The Federal Ministry of the Interior, Minister Helmer went on to say, had repeatedly drawn public attention to the shocking fact that in Vienna there were individuals who had been retired from active service by the competent Austrian authority but who, to all intents and purposes, could not be removed from their posts by the Austrian Government because the Soviet Occupying Power demanded that these former Austrian officials remain in office.

"Furthermore," Minister Helmer continued, "the right of asylum has been guaranteed to political refugees. Persons who cross the Austrian border, even if without proper travel documents, are granted asylum on Austrian soil. But here our executive organs are faced with a conflict of conscience: shall they follow the orders of the occupying power or stake their life and liberty by refusing to do so. The tacit toleration of such passive resistance by the Austrian security organs also presents the occupying power with an excuse to launch further attacks against the Austrian administration."

Former Legislation to be Replaced

In answer to a question regarding the legislative plans of his ministry, Dr. Helmer stated that his staff was working on proposals to substitute Austrian legislation for former German laws which were still on the statute books. Thus, the Welfare Act was one of the laws now under consideration; it would probably require a change in administrative organization. The new Registration Act, which has been in preparation for quite some time, would soon be submitted to Parliament. Minister Helmer said that his ministry was drawing up a Police Law for Aliens which will provide for very liberal treatment of foreigners. Some thought was also being given to a revision of the Passport Act, and talks would be initiated with the Federal German Republic for the reciprocal exemption of visa requirements. Special attention was also being given to the development of organizational activities. It is felt that the freedom and right to organize must not be abused in such a way that political organizations can establish themselves under the cloak of welfare agencies. In closing, Minister Helmer gave the assurance that the Government

was doing everything in its power to alleviate the lot of those Austrians still in captivity, either as prisoners of war or civilian internees, and to obtain their repatriation.

YUGOSLAV FOREIGN MINISTER POPOVIC TO VISIT VIENNA IN JUNE. Foreign Minister Gruber told the Austrian cabinet in mid-May that Foreign Minister Popovic is expected in Vienna at the end of June to reciprocate Dr. Gruber's visit to Belgrade some time ago.

AUSTRIAN PARLIAMENTARY REPRESENTATIVES ATTEND COUNCIL OF EUROPE MEETING IN STRASBOURG.

Six members of the Austrian Parliament attended the 5th ordinary session of the Council of Europe in Strasbourg as official observers of the Austrian Nationalrat.

The Austrian delegates sat in on the meetings of the legal commission, the economic commission and the commission for social questions.

Austria's permanent representative to the Council of Europe, Minister Eduard Ludwig, had a series of conversations with Francois de Menthon, President of the Consultative Assembly, and with Minister Paris, the General Secretary of the Council, which dealt primarily with questions of future technical cooperation between the representatives of the Austrian Parliament and the Council of Europe. The talks resulted in complete agreement on how these questions would be handled.

Gruber on Freedom (Cont'd. from page 1)

of Europe and when, moreover, the urgency of the Austrian problem shall have penetrated the general consciousness.

Today, wrote Dr. Gruber, the foreign policy course of nations is much more strongly influenced by public opinion. Consequently, the propagandistic and political mission of the Austrian Government was not merely to let the appeals addressed to other governments take their course but to convince world opinion and authoritative quarters that Austrian interests ran parallel with the general interests of the great powers themselves.

Austria's attitude toward the European community organizations, Dr. Gruber declared, was also conditioned by the necessity of taking into account the overall balance of power. Like Switzerland, Austria had become a charter member of the Organization for European Economic Cooperation in Paris because her trade interests demanded such cooperation. For the same reason, Austria had appointed an Austrian observer to the Coal and Steel Union, the more so since the country's position as a coal producer and steel supplier required that it maintain orderly relations with the Union's supranational economic market.

In Strasbourg, Austria was represented by Parliamentary observers, a circumstance which gave expression to the fact that Austria felt herself to be a part of Europe. Moreover, public opinion in the country fully supported the efforts of the people of Europe to achieve unity. The reason the Austrian Government had not joined the Council of Europe nor the Coal and Steel Union, although public opinion within the country favored such action, was because it could not yet be judged whether membership in these organizations was in keeping with Austria's special position in Europe.

GENERAL ARNOLD, NEW U.S. COMMANDER IN AUSTRIA, RECEIVED BY PRESIDENT KOERNER. Early in May, President Koerner of Austria received the newly appointed Commanding General of the U.S. Forces in Austria, Maj. Gen. William H. Arnold, who was introduced to him by U.S. High Commissioner Llewellyn E. Thompson. General Arnold was also presented to Chancellor Julius Raab.

UNDERSECRETARY OF STATE BOCK VISITS BELGIUM.

Dr. Fritz Bock, Undersecretary of State in the Austrian Ministry of Trade, visited Belgium early in May. During his stay in Brussels he saw Belgian Foreign Trade Minister Josef Meurice, accompanied by Dr. Martin Fuchs, the Austrian Minister to Belgium.

ARCHBISHOP OF PARIS VISITS AUSTRIA. Maurice Cardinal Feltin, Archbishop of Paris, visited Vienna early in May and saw President Koerner, Chancellor Raab, Vice Chancellor Schaerf and Foreign Minister Gruber during his stay in the Austrian capital. Cardinal Feltin, who is also Vicar-General of the French Army, then left for the Tyrol and Vorarlberg where he visited the French occupation troops stationed in those two provinces.

SOVIETS AGREE TO DISCONTINUE "RUSSIAN HOUR" ON ONE VIENNA TRANSMITTER BUT CENSORSHIP CONTINUES. The Socialist News Service recently reported that the Soviet Radio Officer in Vienna has acceded to the request of the Ravag Broadcasting System to discontinue the "Russian Hour" on the Vienna II station. The Soviet propaganda broadcast will no longer be transmitted over this station after June 1, 1953.

About thirty minutes of the weekly propaganda program formerly transmitted over Vienna II will be broadcast by the Bisamberg transmitter Vienna I. The "Russian Hour" will thus be on the air fifteen hours a week. In return for their release of the Vienna II station, the Russians demanded and obtained an extension of their Thursday evening broadcast and the earlier programming of two daily broadcasts so as to follow the regular evening newscast. The question of whether the Russians will also agree to the Austrian request that censorship be lifted from Vienna II is still undecided.

New Schilling Exchange (Cont'd. from page 1)

Korean war, have for some time now been falling, and this downward trend is continuing. Austrian domestic prices, which had been adapted to the economic conditions arising out of the Korean conflict and which had therefore required suitable wage adjustments, will now remain stable and thus largely compensate for the higher cost of imports. A further decrease in world market prices would make the new monetary policy all the more beneficial.

The Austrian Chancellery issued the following statement in connection with the establishment of the new rate of exchange: "The announcement issued by the National Bank is the result of extensive consultations and was made with the approval of the Federal Government. Adoption of this measure has long been overdue; it had to be put into effect above all to check the sharp export decline, inasmuch as the compensation transactions which had to be resorted to as an emergency measure afforded increasingly less effective relief.

As a result of the standardization of the rate of exchange, the competitiveness of Austrian products abroad will be substantially improved, thereby activating the domestic economy and helping the employment situation. The new rate of exchange more or less reflects the valuation of the schilling on the international market, especially in Zurich, in recent months. Accordingly, it merely represents an adjustment to the actual exchange relationships already in effect. At home, the currency standardization represents neither a decrease in the schilling's purchasing power nor a depreciation of savings deposits."

The Government statement went on to say: "The Government has taken preventive measures to keep essential foodstuffs from going up in price and to stave off any increase in gas or electricity rates on the part of public utility companies, as well as any rise in rail rates. All goods heretofore imported by way of compensation at excessively high rates will drop in price as a result of the new rate of exchange. In view of the circumstance that the price drop on the world market has not yet had its full effect on retail prices, it is justifiable to expect that producers, wholesalers and retailers will be able to hold present prices even in those cases where individual import goods may increase in cost as a result of the currency standardization."

The Government's announcement closed with an appeal to both management and labor to observe strict self-restraint and maintain the current wage-and-price structure under all circumstances.

Austrian People React Calmly to New Policy

Austrian newspapers report that the establishment of the new rate of exchange was received with utmost calm both at home and abroad. Neither the National Bank nor other Austrian banks reported any wave of withdrawals, although the Government's announcement of the new rate of exchange was made on April 30 and foreign exchange was still obtainable at the old rate until May 4. Banking transactions showed no unusual activity and there was no speculative buying. Even withdrawals from savings institutions reflected no abnormal increase. All this is regarded as a reflection of the complete confidence of the Austrian people in their currency.

Schilling-Dollar Rate of Exchange for Tourists Unchanged

The new relationship of the schilling to the dollar does not affect the rate of exchange granted foreign tourists visiting Austria. For years foreign tourists have been receiving what was heretofore a preferred rate of 26 schillings to the dollar which fully corresponded to the actual value of the latter currency. Only the trade rate of exchange was 21.36 schillings to the dollar and this has now also been brought into line with the actual value of the Austrian currency. Tourists will therefore continue to receive 26 schillings per dollar.

NEW AUSTRIAN MINISTER OF TRADE ILLIG ANNOUNCES PROGRAM.

Dr. Udo Illig, the new Austrian Minister of Trade, said immediately after taking office that he planned to introduce a number of important measures between now and summer to intensify exports, promote foreign tourism and further small business.

He stated that one of his major tasks was to complete the draft of a new Foreign Trade Act designed to free Austrian exporters from the current maze of administrative red tape. The present Foreign Trade Act was due to expire on June 30 of this year and his staff would do everything it could to draw up an up-to-date law adapted to present-day requirements and obtain Parliament's approval by the time the old law expires.

Dr. Illig then emphasized that the mere enactment of a new export law would not alone be able to restore Austrian foreign trade to a healthy level. In addition to the recent currency standardization, other measures, such as partial tax exemptions, would also have to be introduced to raise the volume of exports. In fact, a series of fiscal measures along these lines was already planned.

The new Minister of Trade went on to say that his objective in domestic trade matters would be to combine a purposeful industrial policy with an arts-and-crafts program designed to benefit the small businessman. He was also planning to increase the volume of credit extended to such small businesses.

Dr. Illig emphasized in closing that he would establish a nationwide tourist promotion program which would be carried out with closest cooperation of the Federal Government and the individual States.

POWER LOAN SUBSCRIPTION TO START MAY 26. As soon as both houses of the Austrian Parliament had approved the Power Loan Act, the Government proceeded to make plans for opening the subscription, which is to begin on May 26 when the new law goes into effect. The closing date for subscribing to the loan is June 30, 1953.

During the month of May a syndicate agreement was being worked out between the "Verbundgesellschaft" (national power combine) and the banks. The next step will be the decree for execution of the Power Loan Law, which is to contain an exact interpretation of the law's provisions (tax concessions etc.).

The money expected to be raised by the loan will be earmarked for the expansion of the Rosenau-Enns Power Station, as well as for the continuation of construction work on the Kaprun project and on the Reisseck Storage Station. All these projects have already been started.

U.S.-AUSTRIAN CHAMBER OF COMMERCE HOLDS ANNUAL GENERAL MEETING. The annual General Meeting of the United States-Austrian Chamber of Commerce, Inc., was held on May 12 under the chairmanship of Mr. James S. Carson. The following members were elected to the Board of Directors: Mr. W. G. Corwin of the Socony Vacuum Oil Co., Mr. John F. McKiernan of the National Coffee Association and Mr. Ernst Spielmann of Hermann Spielmann & Son, Inc.

In addition, the following board members were reelected for another term: Mr. James S. Carson as President, Robert D. Merrill as Chairman, John Gorski as Treasurer and Paul A. Goldschmidt as Executive Secretary. Because of ill health, Mr. Frederick E. Taylor resigned as Executive Vice President, although he has agreed to remain on the board as Deputy Chairman. In his stead, Mr. Stefan Ph. Neumann will act as Executive Vice President of the Chamber.

NEW BRITISH WOOL CREDIT EXTENDED TO AUSTRIA.

Following negotiations conducted on behalf of Austria by Dr. Mayer-Gunthof, President of the Textile Manufacturers Association, Dr. Kindermann of the "Creditanstalt-Bankverein" and Director Bischoff of the "Laenderbank," an English bank syndicate composed of the Hambros Bank, the Rothschild Bank and the Westminster Bank has granted the Austrian wool industry another wool credit.

The extent of the credit, which is the seventh of its kind since 1946, was increased by 50% over last year's figure, i.e. to 1,500,000 pounds sterling. It shall remain in effect until May 1954, any sums used being repayable within six months.

CLOSE CONTACT BETWEEN AUSTRIA AND COAL & STEEL UNION A NECESSITY.

The formation of the Coal & Steel Union in Western Europe has confronted Austria with certain basic economic problems. This means primarily that Austria must be able to import coal and coke at price, freight and delivery terms enabling her to compete with the Coal and Steel Union countries, and also keeping Austrian steel exports on a competitive basis.

The Austrian economy requires an annual importation of coal of about 3.8 million tons hard coal, 800,000 tons soft coal or soft-coal briquettes, and 280,000 tons coke. Of the total requirements in the hard coal category, about 1.6 million tons are coking coal, which must be imported from the Ruhr basin, i.e. from within the territory of the Coal and Steel Union. The Austrian iron and steel industry is therefore based about 80 to 90% on procurement either from the Ruhr area, or, as has been the case during the Korean crisis, from American sources. This justifies Austrian interests in the problems of the Coal and Steel Union so far as coal is concerned. The Austrian economy should be assured of a supply of coal from the territory of the Coal and Steel Union at prices enabling her to continue to produce competitively.

As compared to the coal situation, the iron and steel situation is reversed. In 1952, Austria produced 1.2 million tons pig iron and 1.1 million tons unfabricated steel. Upon completion of the two plants now under construction, Austrian raw steel capacity in 1953 will reach about 1.4 million tons, to which add three-quarters of a million tons of rolled products. Even with complete coverage of domestic demand, Austrian iron and steel production is largely dependent on exports. Now there is some danger that reduced costs and falling prices in the countries of the Union, owing to its formation, might seriously threaten Austrian exports to those countries as well as to the markets of non-member countries. Since the Coal and Steel Union countries are themselves major customers for Austrian iron and steel products, higher tariffs on Austrian products within the Coal and Steel Union might likewise result in a great competitive disadvantage vis-a-vis the Schuman Plan states. Isolated, Austria would not be in a position to withstand such conditions of competition.

It will be the task of the Austrian Delegation of observers recently accredited to the Coal and Steel Union to see that Austrian interests are protected.

INTERNATIONAL PRESS INSTITUTE MEETS IN LONDON

A meeting of the International Press Institute, an organization of editors from leading papers in forty countries, was held in London from May 13 to 15.

The aims of the Institute are to promote and safeguard freedom of the press, an objective which includes the free access to news, freedom of publication and freedom of expression.

For the past two years Austria has also had a national committee affiliated with the International Press Institute. Its executive board consists of Dr. Oskar Pollak, Dr. Franz Groessl, Director Fritz Molden and Dr. Schoenherr.

UNEMPLOYMENT DROPS BY 50,000 IN AUSTRIA. At the end of April, 177,336 unemployed were registered with Austria's labor offices, 108,871 men and 68,465 women. Compared to the unemployment figures for March, this represents a decrease of 50,724 although this year's April level is still higher than last year's by some 30,000. The unemployment drop is due to the increase in building activity which set in after Easter, as is evidenced by the fact that 60% of those unemployed who found work in April are construction workers.

BURMESE GOVERNMENT PURCHASING COMMISSION INVITED TO AUSTRIA. At a cabinet meeting early in May the Austrian Council of Ministers approved a motion to invite a Burmese Government Purchasing Commission now in Europe.

The Austrian Far East Mission which recently spent some time in Burma ascertained that there were concrete markets in that country for various Austrian industrial products. Burma is particularly interested in rolling stock, iron and steel products, electrical instruments, Diesel motors and industrial equipment of every kind.

CONDITIONAL POWER AGREEMENT WITH ITALY INITIALED. A conditional agreement for the supply of 80,000,000 KWH of Austrian electric power to Italy was recently initialed between the "Oesterreichische Elektrizitaetswirtschaft A.G." (the Austrian national power combine) and the Italian companies S.A.D.E. and Edison S.A. The lire proceeds from these power exports are to be used for the repayment of a loan of approximately 250,000,000 schillings Austria is seeking from the World Bank. Final ratification of the power agreement is subject to the World Bank's granting of the credit.

AUSTRIAN EXPORTS VIA TRIESTE CONTINUE TO INCREASE. During the first quarter of 1953 Austria's share in the overseas traffic handled by the port of Trieste amounted to 357,500 tons, as compared to 315,774 tons for the last quarter of 1952. Austria's share of Trieste's total rail freight has thus increased from 58 to 68%, thus confirming her position as the port's major trade partner.

In March, the volume of rail freight arriving in Trieste from Austria rose to almost 48,900 tons. In both Austrian and Trieste trade circles it is hoped that the intensive work now begun by the joint Austro-Trieste Chamber of Commerce can overcome any remaining obstacles and thus increase still further the volume of trade to and from Austria via the port of Trieste.

EUROPEAN TRANSPORTATION EXPERTS DISCUSS SEAPORT TARIFF POLICIES. The "Neue Wiener Tageszeitung" reports that transportation experts from Rotterdam, Trieste, Bremen and Hamburg have been meeting in Austria

during the past few months to discuss seaport tariff policies in connection with commercial shipments. Inasmuch as Austria cannot, nor wishes to, commit her trade to any single port or groups of ports, she must naturally oppose any protectionist policies with regard to seaport tariffs. Any attempt, by the establishment of artificial tariff schedules, to assure a given port a minimum volume of forwarding business would before long result in a ruinous competitive struggle between all and serve no one's advantage. And, in the long run, such a policy would undoubtedly lead to tariff increases.

Free Access to All Ports Desired

Austria's industry, the paper went on to say, has an interest in that access to all port facilities be kept free, a standpoint that has recently met with favorable response in a number of countries. Accordingly, Austrian authorities have rightfully objected to Italian transit rates being pegged at no less than 50% above the Italian domestic tariff. Northern competitors, on the other hand, have been making a concerted effort to increase the commercial drawing power of their ports by reducing their internal freight rates. Transportation talks were recently held in Salzburg with representatives of the Federal German Republic to discuss the consequences of recent decisions reached by the European Steel and Coal Community.

NEW CAMPING GUIDE PUBLISHED IN AUSTRIA. The Tyrol Water Sports Club in Innsbruck recently published a new edition of its famous "River and Camping-Site Guide," which incorporates the latest information on camping activities in Austria and their development during the past few years. Austrian rivers and camping sites for tents are described in great detail, and the plans of the sites are annotated with internationally recognized code signs. Much of the text is also translated into English, French and Italian.

CULTURE AND SCIENCE

"SCHOOL AND THEATER" ARE MAJOR PROBLEMS OF EDUCATION MINISTRY. In the course of an interview with a reporter of the "Wiener Kurier," Austrian Minister of Education Ernst Kolb said early in May that the school system and the theaters were the two major problems facing his ministry.

One of the most important measures scheduled for early adoption was the University Fee Act, the draft of which would be so written as to allow for lower tuition rates, especially in the case of outstanding and needy students. Another feature of the new law would be to grant foundations a tax exemption on scholarships and grants made to universities and colleges. He added that his staff would also look into the position of university assistants and technical school personnel, as well as into the question of calling on teachers now active abroad to return to Austria. Dr. Kolb said that the position of secondary school teachers was especially difficult.

With regard to the theater and motion pictures, the Minister of Education said that much remained to be done in the use of these media for popular education.

WILHELM KAUFMANN, AUSTRIAN PAINTER, EXHIBITS WORK IN U.S. Wilhelm Kaufmann, the Austrian painter who was born in Salzburg in 1901 and is now staying in this country, had some of his work exhibited in Washington and Philadelphia in September 1952. Further exhibitions of his paintings are to be held at the Public Library in Greenwich, Conn., in June of this year and at the St. Etienne Gallery on 57th Street in New York in September.

Kaufmann studied at the School of Industrial Art of the Austrian Museum under Mueller-Hofmann from 1919 to 1923. He then accepted an invitation from Anton Faistauer to collaborate on a number of ceiling frescoes in the vicinity of Salzburg.

In 1931-32 he did a series of murals in Paris which gave the "Studio Viennois," established at that time as a branch of the "Wiener Werkstaette," its characteristic imprint. In 1935 four of Kaufmann's landscape water colors were selected for a representative exhibition in the Austrian pavilion at the Brussels International Exhibition. From 1936 to 1937 the artist lived in England where he gave a one-man show in London in 1937.

In the fall of 1937 Wilhelm Kaufmann returned to Austria to work with Clemens Holzmeister, the builder of the Salzburg Festival House, for which he designed a small foyer mural. From 1939 to 1945 Kaufmann withdrew from public life, after which he served as chairman of the Salzburg Painters' Committee until 1948. In this capacity he came to the aid of his fellow-artists with advice and material assistance, and also helped DP's and other refugees in need. In 1948 he was commissioned to paint a large legendary fresco for the public hall of the "Kurhaus" at Hof-Gastein.

Kaufmann spent the years 1950 and 1951 doing portrait work in France and England. His first visit to the United States was at the invitation of the Westtown School in Pennsylvania, where he stayed a semester teaching a class in art. Many of Kaufmann's works are now owned by the "Albertina" national collection in Vienna, the Austrian State Gallery, the "Landesgalerie" in Salzburg, the Salzburg Museum, the City Gallery in Birmingham and the Walker Art Gallery in Liverpool.

EXHIBITION OF MODERN ARCHITECTURE OPENED IN VIENNA. The Austrian section of the Congrès International d'Architecture Moderne (CIAM) recently opened an exhibition of architecture at the Industrial Arts Museum of Vienna, which is meeting with considerable public approval. Plans, models, photomosaics and sketches of modern architectural works make up the displays.

VIENNA STATE OPERA ENSEMBLE TO VISIT LONDON IN SEPTEMBER. David Webster, Director of the Covent Garden Opera in London, who visited Vienna in April 1953, has invited an ensemble of the Vienna State Opera to come to the British capital in September 1953 and present performances of Mozart's "Don Giovanni" and Richard Strauss' "Arabella" and "Daphne."

The company was last heard in London in September 1947. The Vienna State Opera is the only organization of its kind to have been asked to perform in London during the Coronation festivities.



Wilhelm Kaufmann: My Daughter Eva.

RECONSTRUCTION OF BURGTHEATER ASSURED BY 1956. Early in May Minister of Finance Kamitz told the Austrian Council of Ministers that the Federal Government had contracted a loan of 100,000,000 schillings for the reconstruction of the Burgtheater.

The credit institutes from which the loan was obtained agreed to postpone redemption of the loan until the years 1957 to 1960 providing they received 7% bonds.

According to present plans reconstruction work on the Burgtheater is expected to be completed by 1956.

VIENNA CHOIR BOYS ENGAGED FOR VIENNA FESTIVAL WEEKS. In mid-April, two groups of the Vienna Choir Boys which had been on tour in the United States as well as in Belgium, Great Britain, Denmark and Germany since last Christmas returned to Vienna, as a third group left for a six-week tour of England.

On June 14, during the Vienna Festival Weeks, the Vienna Choir Boys will give a gala concert at the Musikverein in which all four of the organization's choral groups will participate.

VIENNA SYMPHONY TO PERFORM AT HERSFELD FESTIVAL. The Vienna Symphony has been engaged to give a series of performances at the 1953 Hersfeld Festival in

Western Germany between July 4 and 22. The Hersfeld Festival is sponsored by Dr. Theodor Heuss, President of the German Federal Republic. The program to be presented will include a concert version of Beethoven's "Fidelio," to be played against the background of the Hersfeld Convent ruins. Eugen Szenkar will conduct and Helge Roswaenge will sing the part of Florestan.

MASS BY AFRICAN NEGRO PRIEST CELEBRATED IN VIENNA. A mass by Father John, an African Negro priest from the Belgian Congo, was sung in Vienna on May 14 at the Franciscan Church. The performance was given by the church music choir of the Vienna Academy of Music and Dramatic Art. The mass is impressionistic in style and uses folk-music themes from Ruanda-Urundi. Viennese composer Ernst Tittel wrote the instrumental accompaniment.

STUDY OF INDO-EUROPEAN PARENT LANGUAGE PUBLISHED. Wilhelm Brandenstein of Graz, Austria's leading philologist, recently published his "Studies on the Indo-European Parent Language," as one of the works appearing under the imprimatur of the Institute of General and Comparative Linguistics. The publisher is Gerold & Co. of Vienna. Dr. Brandenstein's work contains seven treatises and two longer research reports dealing with the problems of Indo-European phonology and philology.

ERNST LOTHAR TO PRODUCE ENGLISH VERSION OF HOFMANNSTHAL "EVERYMAN." Ernst Lothar, the well-known producer now associated with the Vienna Burgtheater, presented a successful English adaptation of Hugo von Hof-

mannsthal's "Everyman" at the Irish Festival in Dublin in April. Critics were full of praise for the English version, which was written by Mr. Lothar himself.

FROM THE AUSTRIAN TRADE DELEGATE: A CORRECTION: Due to a type-setting mistake in the list of Austrian firms participating in the Toronto International Trade Fair, June 1 through June 12, (page 10 of Austrian Trade Bulletin May 9, 1953) the names of four firms and the products they display were inadvertently interchanged. The correct listing reads as follows:

Michael Sipka, Schottenring ladies' and men's fancy shoes, ski boots, furlined shoes, sports shoes - hand made and welted;

Wilhelm Frank, Zieglergasse 19, Vienna 7 sets of wine glasses, beer glasses, liqueur glasses of hand cut and engraved crystal; tumblers, stemmed glasses attractive ornamental dishes and plates;

Gmunder Keramik K.G., Traunleiten 61, Gmunden, Upper Austria artistic pottery, household pottery, building pottery;

Wiener Manufaktur - Friedrich Goldscheider, Staudgasse 7-9, Vienna 18 artistic pottery, statuettes of dancers, children, animals; wall masks and plaques, madonnas, etc., all painted in bright, attractive colors:

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